



Telekom Srbija

ESG

**BUSINESS REPORT OF
TELEKOM SRBIJA GROUP**
for 2022

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INTRODUCTORY ADDRESS

Aspiring to become the leading company in the development of economy and society, towards a full digital transformation, we strive to further improve our services and user experience for more than 11 million of our customers in the region and across Europe. That is why business expansion continued in the region and in the countries with significant presence of our expats.

Following the Covid-19 pandemic in 2022, yet another challenging year at the time of global crisis in all areas, caused by the latest developments in the world, we managed to respond to all challenges and reinforce our image as a profitable, modern telecom company oriented to customers and to the future. The revenue growth trend continued accordingly, coupled with stable growth of multimedia, internet and mobile telephony customers.

We have accomplished impressive results and preserved the attribute of regional leader, with the largest number of customers and the biggest revenues.

Aspiring to become the leading company in the development of economy and society, towards a full digital transformation, we strive to further improve our services and user experience for more than 11 million of our customers in the region and across Europe. That is why business expansion continued in the region and in the countries with significant presence of our expats. In North Macedonia, we have decked our offer of high-end services and exclusive digital content, becoming a mobile operator that now boasts of a portfolio containing, in addition to satellite TV, the Internet and mobile telephony as well. After Austria, a new company, MTEL Switzerland, launched its operation with a competitive offer of rates and roaming bundles and the best offer of TV channels from the ex-Yu region. The coming period will witness a considerable expansion of business in Germany and the USA. For the purpose of ensuring quality protection of comprehensive business operations and the access to EU funds, our representative office in Brussels was officially opened.

In 2022, the investments were mostly made



Vladimir Lučić
CEO

in multimedia content, digital development, enhancing the mobile, optical and IoT network. For the fourth consecutive year, RATEL's survey about the quality of provision of mobile telcos' services in the Republic of Serbia established our leading position according to critical parameters. The European Investment Bank (EIB) has selected our company as the exclusive partner in the whole region for rolling out the cutting-edge 5G network. Through the European Bank for Reconstruction and Development (EBRD), in cooperation with EU and our Government, the project of introducing optical internet in Serbian rural areas was launched, which will help provide high-speed internet for more than 120,000 households and 700 schools. In cooperation with the European Commission, we have been assigned an important role in the project of cutting the prices of roaming data traffic with EU.

Arena sport channels feature an upgraded and comprehensive offer of sport content in the region (the Champions League, English, Spanish, Italian and French football leagues, NBA league, ABA league...). Along with quality news channels, Euronews and Bloomberg Adria, we also achieve outstanding results in the production of series and featured movies, in concert with renowned global distributors.

TS Ventures, the largest fund for backing up startup projects in Serbia, with its EUR 25m budget in the following 5 years, has ended up its first year of operations with nine selected, high-tech startups that can accelerate and enhance the development of various industries. We have thus demonstrated our earnest intent to invest

in young people and to keep them in Serbia, with a desire to inspire potential involvement of academic community within more complex projects.

The exclusive partnership with Vodafone was continued and elaborated in a whole range of business processes and services, with the acquired expertise in the domain of optimizing business and cutting costs, procurement and logistics, on the road to digital transformation of business.

In the sphere of artificial intelligence (AI), for a couple of years now, we have been intensively focused on the modalities of AI application in the area of process automation, better understanding of customers' needs and creation of tailor-made offers, and the improvement of Customer Care.

I have to note that, despite intensive business activities, other important activities have not been neglected, undertaken by Telekom Srbija Group as a socially responsible, high-tech oriented group, aware of its influence upon social and natural environment. Following the publication of the 2021 ESG report, I believe that this report will also help inform all stakeholders about our progress and increased responsibility for reaching the ESG goals.

Environment Protection

It is impossible to accomplish responsible and sustainable business without handling growing

responsibilities for the environment in a holistic and informed manner. To approach a systematic analysis of the impact of business activities upon the environment and to come up with efficient solutions for contemporary environmental challenges, Telekom Srbija has conformed its operations with the requirements of ISO 14001:2015 standard. Business decisions entail full commitment to green transformation for the purpose of sustainable use of natural resources and preservation of healthy environment, which is prerequisite for sustainable future. Mechanisms have been set up for establishing the impact upon environment, their evaluation, the established goals and the method of control, the reduction of impact upon environment.

A low-carbon industry development is one of the crucial conditions for preventing further climate change and preserving the conditions for the living world survival. Our national goal of 33% reduction in greenhouse gas emissions by 2030, relative to 1990, can be achieved only if all of us are fully committed. Telekom Srbija takes a strategic approach to the issue of climate change by way of reducing direct greenhouse gases emission together with increasing the share of consumption of renewable energy sources. The entire electric power purchased directly from EPS (Serbian electric power company) originates from renewable sources which makes a considerable contribution to the struggle for stable climate.

In a decade that has been globally recognized as the decade of transformation of our relation to nature and preserving biodiversity,

Telekom Srbija launched as early as in 2021 its long-term environmental project *No Species Dies Alone*, which became synonymous with corporate support to experts in addressing this environmental issue, which holds the key to sustainable future for all of us. The project has earned public recognition, and it has been awarded a special letter of achievement by the Serbian Chamber of Commerce for the contribution to preserving biodiversity as part of the National Award for Corporate Social Responsibility *Đorđe Vajfert* for 2022.

Social (social responsibility)

As always, we try to share a part of our business success with the community, following the principles of the UN Global Compact, that we are a member of, also through a wide range of socially responsible activities, thus contributing to the creation of a better society for all its members.

In 2022, the focus was on investing in young people and education, which accounted for almost 67% of the budget for donations, where the most prominent projects were *We Create Knowledge* and *Mts App Competition* within the program *We Initiate the Initiators*. The network of positive social initiatives that we launch and support, continuously builds and reinforces trust with our employees, shareholders, partners and society in general.

For the purpose of eradicating poverty,

protecting the environment and ensuring peace and prosperity for all, according to the adopted 2030 Agenda, each member of Telekom Srbija Group is particularly focused on vulnerable categories of population. Through various humanitarian drives in 2022, donations, rehabilitations, refurbishments and renovations of homes, schools and playgrounds, considerable contribution was made to social communities.

A new cycle of students' professional practice was initiated, IoT Lab Telekom Srbija, intended for students, while dual education was organized for a new generation of students at the Secondary PTT School for the educational profile Telecommunications Network Fitter.

Governance (corporate governance)

Following a deliberate analysis, previously commenced organizational changes were completed in 2022, aimed at further modernization of business, optimizing costs, adopting new technologies and higher and faster development of new digital services and content. Regardless of the technology, it was imperative to continue providing the customers with state-of-the-art service and to constantly improve user experience.

In 2022, the Corporate Conduct Code was adopted, containing a segment of integrity principle, in line with the Anti-Corruption Act. Its goal is to set up the mechanisms for ensuring

more efficient and effective operations of the Company, by strengthening responsibility, increasing transparency in a decision-making process, strengthening ethics and introducing an efficient supervision and control system.

With such high-set strategic goals, integrated in business activities, we are continuously focused on further development of the corporate spirit, increased safety and motivation of our employees, which will make us more attractive in new talent acquisitions.

With great degree of respect, I would like to express special gratitude to all our customers, partners and shareholders, for the trust they showed in our work. I proudly thank the members of the Supervisory Board and all our employees, whose efforts and optimism were critical for achieving all these results, for being a support to social community and retaining our position of the leader in the region.

Kind regards,

Vladimir Lučić
CEO

WITH YOU FOR 25 YEARS NOW 01



- 11 MEMBERS
- 12,682 EMPLOYEES
- 11.2 MILLION CUSTOMERS
- EUROPEAN, AMERICAN AND AUSTRALIAN MARKETS

Telekom Srbija Group



telekomsrbija.com

Telekom Srbija a.d. Beograd

mts.rs

Telekom Srbija is one of the leading telecommunications operators in the territory of Serbia in all segments of business. It was founded on 23 May 1997 through the process of structural and ownership transformation of the PTT system in Serbia, as a single-member joint stock company. From June that same year, it was owned by three shareholders: JP PTT saobraćaja „Srbija“ (present-day JP „Pošta Srbije“), Telecom Italia (through its branch office STET International Netherland N.V) and OTE Greece. In 1998, it began to provide mobile telephony services. In 2006, we introduced 3G technology and the provision of ADSL Internet services.

As early as in 2007, Telekom Srbija became the leader in the sphere of telecommunications and began to expand to the markets of Bosnia-Herzegovina and Montenegro. This is how Telekom Srbija Group was set up. In the following years, it successfully kept abreast of market demands and also recognized the importance of introducing fresh services, creating the potential for entering new markets. Apart from the basic telecommunications services, at present it is substantially focused on the development and provision of multimedia, financial and digital products and services, as well as projects of exceptional importance for all people in the diaspora. Telekom Srbija has no branches.

The ownership structure of Telekom Srbija is presented in detail on the website of the Central Securities Depository and Clearing House.

Telekom Srbija has the ownership stake in the following subsidiaries:

Telekom Srpske a.d. Banja Luka

[Mtel.ba](https://mtel.ba)

One of the three national telecom operators in Bosnia-Herzegovina, Mtel Banja Luka offers unique communications solutions integrated under the corporate brand of m:tel. It holds ownership of the following subsidiaries:

U svom vlasništvu ima sledeća zavisna društva:

- MTEL d.o.o. Podgorica (49% stake)
- MTEL Global d.o.o. Beograd (41% stake)
- Logosoft d.o.o. Sarajevo, which holds 100% ownership of Mts Sistemi i integracije d.o.o. Beograd (100% stake)
- Blicnet d.o.o. Banja Luka (100% stake)
- Financ d.o.o. Banja Luka (100% stake)

mtel d.o.o. Podgorica

[Mtel.me](https://mtel.me)

In April 2007, mtel Podgorica obtained a third operator licence in the territory of Montenegro. Its ownership structure is as follows: 51% Telekom Srbija, 49% Mtel Banja Luka.

After obtaining the licence for the operation of the mobile network, a state-of-the-art mobile network was built within a period of only 77 days, a period unrecorded so far.

ARENA CHANNELS GROUP d.o.o.

Beograd

tvarenasport.com

Arena Channels Group is a company dealing with cable telecommunications via the Arena Sport TV channel and is the holder of the broadcasting rights for sports channels in the territory of the Republic of Serbia, Bosnia-Herzegovina, Montenegro, North Macedonia, Croatia and Slovenia.

Arena Channels Group broadcasts the signal of the Euronews Srbija channel which is a branded affiliation of Euronews and which broadcasts the local, regional, national and international news on the TV and digital platforms produced by own team of journalists and reporters. Euronews Srbija is a news channel that is based on objective, impartial and precise journalism which the Euronews family and its media promote wherever they operate.

Owing to successful cooperation between Bloomberg Media and Arena Channels Group, Bloomberg Adria was launched, the first pan-regional multiplatform network for business news in the South-eastern Europe, with its centres in Serbia, Croatia, Slovenia, Bosnia-Herzegovina and North Macedonia. Bloomberg Adria provides business and financial news, analyses and updates on the growing community of decision-makers and future leaders in the region, through electronic (TV), printed and digital media, as well as mobile and social networks. Bloomberg Adria relies on the worldwide power of Bloomberg's journalists and analysts in the creation and

successful operation of the new platform, which combines local reporting and covering broad global economy and markets.

Arena Channels Group holds ownership in the following companies:

- MTEL Swiss SA Geneve (63,24% stake)
- HD WIN Arena sport d.o.o. Zagreb (100% stake)
- Arena News Channels d.o.o. Beograd (100% stake)
- Arena sport d.o.o. Ljubljana (50% stake)
- ACG d.o.o. Sarajevo, 100% owned by Arena Sport BH doo Sarajevo (100% stake).

Mtel Global d.o.o. Beograd

[Mtel.global](https://mtel.global)

Mtel Global was created by integrating the companies which belong to Telekom Srbija Group. The idea of association and joint operations in the world market arose from the mutual goal – to establish inextricable ties with our people abroad, making it possible for them to foster the tradition and culture of their country of origin. The company rallies more than 100,000 our customers in the territories of the EU, Switzerland, USA and Canada.

It has the 100% ownership in the following companies:

- Mtel Austrija, Beč, sa 100% vlasništva u MTEL Schweiz GmbH, Cirihi i MTEL Deutschland GmbH Minhen

- TS:NET Amsterdam
- Link2Yu Network, Beč, sa 36,76% u vlasništvu MTEL Swiss SA Ženeva
- Link2Yu LLC California, USA.

YUNET INTERNATIONAL d.o.o.

Beograd

yunet.rs

In 1994, Yunet became the first commercial Internet Service Provider which, keeping abreast of the market trends, transformed itself into a Managed Service Provider in 2017. Its strategic commitment is a full engineering of advanced ICT systems and their implementation per all stages of the life cycle, from the drafting of a strategy to implementation, introduction and maintenance. Over 50,000 satisfied customers testify to quality, seriousness, professionalism and commitment.

Telus a.d. Beograd

telus.rs

Telus has provides the following services: security services for facilities and property and hygiene maintenance in business premises and facilities.

Telus is operating primarily with the Parent Company, but it endeavours to affirm itself on the market to a larger extent.

It holds 100% ownership in subsidiary Telus Pro d.o.o. Beograd.

mts d.o.o.

mtsdo.com

mts d.o.o. was incorporated in October 2015. It holds a full license for fixed telecommunications and temporary authorisation form mobile telecommunications. Telekom Srbija is the founder with a 100 percent share.

It holds 100% ownership in the following subsidiaries:

- VGN Net d.o.o. Kosovska Mitrovica and
- Herc International d.o.o. Štrpce.

MTEL DOOEL Skoplje

mtel.mk

Mtel DOOEL Skoplje is a business company founded in July 2021 by Telekom Srbija a.d., with the seat in Skoplje, the Republic of North Macedonia.

The core activity of MTEL DOOEL Skoplje is cable telecommunications.

Telekom Srbija a.d. Beograd is the only founder and owner of the 100% stake in the share capital of that company.

TS VENTURES d.o.o. Beograd

tsv.fund

The company engaged in management of alternative investment funds TS Ventures d.o.o.

Beograd was incorporated in August 2021. Telekom Srbija a.d. Beograd was the only founder and owner of the 100% stake in the share capital of that company.

TS Ventures d.o.o. Beograd manages the investments of the alternative investment fund of the venture capital in the Republic of Serbia and enables to Telekom Srbija a.d. Beograd, as the founder and investor, to have access to innovative solutions for the purpose of strengthening its service portfolio and market position. Said company offers an opportunity to the Start-up community of the Republic of Serbia to implement technological ideas and thus support the national economy.

It holds 12.87% stake in the ownership of the Alternative Investment Fund TS VENTURES d.o.o. Beograd, while the remaining stake (87.13%) is held by Telekom Srbija.

TS VENTURES FOND d.o.o.

Beograd

tsv.fund/sr/

TS VENTURES FOND d.o.o. Beograd is the first official Venture Capital Fund in the Republic of Serbia, incorporated in accordance with the Law on Alternative Investment Funds. It also represents the first corporate Venture Capital Fund in this part of Europe, with the goal of investing in startups and innovative entrepreneurs who are in the early stage of their business development, yet with a great potential for a rapid global growth of business. The fund has

been established following the suit of the biggest global companies and by investing in innovation, it will ensure further development and growth of its business activities in the forthcoming period.

Important changes in 2022

In June 2022, the Company acquired a stake in the ownership of TS VENTURES FOND d.o.o. Beograd, thus creating conditions for the Company, as the investor, to make investments through the said fund in newly-established commercial entities or those in early stages of operations, for the purpose of accomplishing the goals defined by the fund's business strategies.

By and inclusive of 1 April 2023, the Company holds 91.12% stake in the ownership of TS VENTURES FOND d.o.o. Beograd, while TS VENTURES d.o.o. Beograd holds 8.88% stake.

A new legal entity has been incorporated within Telekom Srbija Group, by the affiliate company Arena Channels Group d.o.o. Beograd (Arena Sport BH d.o.o. Sarajevo).

Following the status change, the following related legal entities have ceased to exist - mtel a.d. Banja Luka (Telrad Net d.o.o. Bijeljina and Elta kabl d.o.o. Doboj). Likewise, the related legal entity mts d.o.o. (Lika d.o.o. Zvečan) has ceased to operate.



ENVIRONMENT 02



Environment

Aware of the gravity of environmental crisis, as one of the existential crises the civilization is faced with, jeopardizing the very survival of mankind, the Company takes a systematic approach to environmental challenges. It implies an optimal and efficient use of energy, fuels and natural resources, investments in renewable energy sources, implementation of modern, environmentally oriented technologies, hierarchy-based waste management, prevention, control and reduction of all types of pollution and last, but not the least, raising awareness of the importance of responsible and sustainable business.

In consideration of adverse effects upon the environment (ENVIRONMENT) and an appropriate response, Telekom Srbija operates in keeping with the requirements of ISO 14001:2015 standard.

Environment management systems according to the requirements of ISO 14001:2015 standard

Sustainable business is one of the pillars of Telekom Srbija's business strategy and development. It is the reason why all business decisions and activities entail full commitment to green transformation towards a sustainable use of natural resources and preserving a healthy environment. To properly appraise complex interactions of business activities and natural environment and to manage the environmental responsibilities, Telekom Srbija's

business activities have been conformed to the requirements of ISO 14001:2015 standard. A multidisciplinary team has been set up, comprised of experts of various profiles and the representatives of all organizational units in the Company, that worked all year, with the support of top management, on establishing the environment management system. Through all required documents, all impacts on the environment have been established, a mechanism of their evaluation has been set up, the goals and methods defined with regard to control, prevention, mitigation of effects upon the environment and remedying potential consequences. The programs for the achievement of goals have been devised, required resources, training, validations and improvement of the management system functionalities.

Particularly important is the fact that a group of internal auditors has been trained, capable of prospective autonomous inspections, in order to keep the management system constantly upgraded and expanded, for the purpose of accomplishing the set goals, fulfilling all obligations and conformity and continuous improvement of environmental performances.

A long-term strategy of Telekom Srbija's sustainable development depends on numerous

internal and external circumstances, risks and opportunities. As required by the standard, a mechanism of constant evaluation of risks and opportunities has been set up in order for the environment management system to be conformed to the needs and opportunities and to reach the expected results.

At the end of the last year, following a successful certification, we have been commended by the external evaluator and certification body for the exceptional environment management system that will be an efficient tool for accomplishing the environmental goals, as a part of strategic sustainable development.

Prevention, control and reduction of all forms of environmental pollution

The management of various forms of biological, chemical, physical, visual pollution of the environment is the essence of environment protection. Telekom Srbija pursues its business activities so as to produce the least possible effect on changes in the environment and to reduce its distress.

The management of waste produced in the Company's business activities is performed to ensure the lowest possible risk upon the health of people and environment, through the established waste management system in keeping with the principle of hierarchy: prevention, preparation for repeated use, recycling, disposal. The company abides by the adopted Waste Management Plan and acts according to the Instructions on

the treatment of waste matters. The waste is separated on hazardous, non-hazardous, inert and upon its classification it is handed over to authorised operators with the prescribed tracking documents, whereof the competent Agency for the Protection of Environment is informed.

The emission of non-ionizing radiation of radio base stations of the wireless access network of mobile telephony is one of the types of electromagnetic pollution of the environment and it is subject to everyday prevention of people's exposure to radiation through careful network planning, the use of cutting-edge and certified equipment, preparation of expert evaluations of environment, measuring the level of electromagnetic field, studies of the impact upon the environment, taking part in research projects, and the education of citizens about the responsible use of telecommunications assets.

Apart from the control of non-ionizing high-frequency radiation, arising from mobile telephony base stations, the Company also takes care of low-frequency radiation, such as the transformer stations in its use. By hiring authorised, independent laboratories, it examines the conformity of low-frequency radiation with the legally defined levels of human exposure. There have been no excessive low-frequency non-ionizing radiation recorded so far.

One of the serious problems and pollutants of the environment are boiler rooms that are used in winter time for heating individual business facilities. Although there are not many, the Company is aware of this significant influence

on the air quality. The problem is additionally aggravated by the fact that Telekom Srbija is not the owner of the facilities heated by boiler room, and as a tenant it has limited influence on capital investments. Therefore, efforts have been made, in cooperation with landlords and owners of facilities, to reduce the number of boiler rooms that use pollutant-emitting fuels. For that purpose, a joint initiative was initiated for decommissioning one boiler room powered by fuel oil and to migrate it to remote heating system. In the meantime, heating energy and raw material required for heating business facilities are managed, subject to strict control of consumption and pinpointing each excessive consumption. The emission of polluting gases is regularly metered and the competent institutions are notified thereof.

Tracking ionizing radiation, related to specific fire alarms, are performed through regular measurements of authorised laboratories in order to prevent any increased pollution of the environment by this type of radiation. The process of replacing all radioactive fire alerts is underway with eco-friendly legally prescribed alerts.

Optimal and sustainable use of energy, fuels and natural resources

Responsibility in the use of energy, fuels and natural resources is the essence of contemporary business and life. By the nature of its activity, the company is significant consumer of energy and fuels and it is committed to constant

implementation of organizational and technical measures for optimizing the consumption through:

- a comprehensive approach to optimal energy consumption,
- achieving the greatest possible degree of energy efficiency,
- using the best available and obtainable energy-efficient technology, as well as optimizing hardware configurations through network virtualization, the application of Single RAN cabinets etc., in order to keep the energy emission on the same or lower than existing level despite an increase in traffic requirements and the network footprint.

The transport and exploitation of motor vehicles is necessary for a number of business processes in the Company. The effect of transport on the environment is very important and versatile, from the greenhouse gases emission and pollutants, consumption of resources, generation of noise, different type of waste, to possible physical degradation of space. It explains the importance of numerous principles introduced in business activities for the purpose of optimizing the use of company cars:

- the use of cars with energy-efficient engines and lower gas emissions,
- an optimal maintenance of vehicles,
- controlling the movement of vehicles,
- organizational measures and the use of communication tools for reducing the need for

using vehicles,

- training of employees on cost-effective driving.

Water is the key natural resource that represents the prime condition for sustainable future. Measures are taken for reducing the consumption of water and the quantity of waste water in terms of raising the awareness of employees about a cost-effective use of water, controlling the functionality of fittings, timely repairs, and by way of recommendations about ecological conduct, the subsidiary Telus a.d. Beograd was advised and instructed on the optimal use of water during hygiene maintenance on business premises.

The use of paper in business processes is a significant environmental and economic aspect. Numerous business processes within the Company require hard-copy documents in more than one copy, which increases the operating expenses. For the purpose of implementing the initiative for reduced paper consumption, the digitalization was introduced for the complete incoming documentation in all file rooms across Serbia, and the number of copies of documents was reduced. Regular checks of paper use is made, quotas determined and measures recommended for optimizing the use of paper.

In certain larger facilities the process of collecting recyclable paper was provided, while a separation is planned of other recyclable packaging waste such as metal and plastic.

The effect on global warming and climate change

Climate changes, as the result of global warming, have become apparent and pretty realistic. If we, as humanity, fail to limit the growth of average global temperature, it is certain to expect a number of chain reactions on Earth leading to irrecoverable changes in the biosphere. Therefore, the international 2015 Paris Treaty established a long-term global goal of restricting the growth of the average temperature to less than 2°C, targeted 1.5°C, compared to pre-industrial period. Our nationally determined contribution to that end is the reduction of greenhouse gases emissions (Greenhouse gas, GHG) by 33% until 2030, compared to 1990. Being aware that it is no longer the issue of protecting the nature and environment, but the survival of mankind in a foreseeable future, Telekom Srbija takes a strategic approach to the issue of climate changes through a mitigation hierarchy: GHG inventory, i.e. analysing the source and estimate of GHG emissions, along with reducing the emissions through avoiding and minimizing and eventually compensation.

The evaluation is made by using the best available standards within the range 1, direct GHG emission and range 2, indirect emissions depending, primarily on the source of the purchased electric power, i.e. whether it is a fossil-fuel produced or renewable energy. Reduction of emissions is carried out through various, carefully planned procurement of energy-efficient equipment with lower energy consumption and implementation of

software for optimizing the energy consumption. Telecommunications equipment is professional and certified, with long-term utilisation rate, convenient for recycling which takes into account the perspective of its life cycle. In accomplishing the goal of reducing GHG emissions, the company is focused on creating partnerships with suppliers, lessors and other partners, in order to make joint efforts towards accelerated low-carbon development of Serbian economy.

Apart from applying the measures of avoiding and minimizing GHG emissions, compensatory measures are also planned, as auxiliary measures for reducing the impact on climate changes. The focus is placed on the application of biological method in carbon sequestration, through financing forestation, in order to regenerate forest eco-systems and make gains in the Company's GHG balance.

Investing in renewable energy sources and "green energy"

Efficient and optimal use of energy and fuels is not sufficient to check the progress of global warming and climate changes. It is necessary to invest strategically, on a long-term basis, in renewable energy sources as a substitute for fossil fuels. Telekom Srbija uses approximately 70% of total electricity consumption from renewable sources, directly or indirectly taken from the power distribution system of the Serbian Power Company (EPS). The remaining 30% is not controlled by the Company, given that the electricity is paid through other entities. However, sustained efforts are made

to raise the percentage of green energy on a year-to-year basis.

The company undertakes the activities aimed at gradual introduction of solar panels and solar power plants, for the power supply of network and devices, so as to make additional contribution to reducing the emission of greenhouse gases, preservation of healthy environment and creation of the system's energy-wise autonomy, to the largest possible extent. Activities are taken aimed at potential construction of solar power plant on the business facility in Novi Beograd, to raise the production of electricity derived from renewable sources, to enable savings in the consumption of the electricity taken from the distributive system and to reduce GHG emissions in this large facility.

In order to implement the business sustainability strategy, an option is considered to implement the project of using the waste energy originated from DATA centre airconditioning, to be predominantly used for heating the facilities of TK Centre Beograd and thus make the operation of the DATA Centre more sustainable. The project entails the implementation of high-end technology of plate heat exchangers that minimizes the need for traditional mechanical cooling.

Preservation of biodiversity and environmental balance of the eco-system

Environmental balance, supported by the

preserved biodiversity is prerequisite for the survival of the living world on Earth. Present-day deterioration of biodiversity is the key cause of environmental crisis and joint efforts of all society are required in order to check the progress of extinction of species and their habitats. The specific challenges in active measures of protection of key species for eco-systems are addressed by innovative and creative solutions while using the cutting-edge technologies. That is why the project "No Species Dies Alone", launched in 2021, gained even stronger momentum last year and was expanded by the preservation activities, not only of birds, but other endangered species as well. The project unfolds in three directions, financing the expert field activities, with technical support, and education of public about the importance of the preserved biodiversity for healthy environment. However, the greatest Company contribution is a sturdy mobile access network that provides support to science and protection of species.

The project was rewarded for the contribution to addressing the global environmental problem of preserving biodiversity within the *Champions of Sustainability competition*, organized by the Forum for Responsible Business and Smart Collective, as a good practice example of a company that helps fulfil the goals of the 2030 Agenda. *No Species Dies Alone* project has been awarded with special recognition of the Serbian Chamber of Commerce for the contribution to preserving biodiversity within the National Award for Corporate Social Responsibility *Đorđe Vajfert* for 2022.

Raising awareness of environmental protection

Raising awareness of employees, business partners, and broad public, constantly, about the importance of all elements of environmental protection is essential to business sustainability. Energy efficiency, energy from renewable sources, reduced greenhouse gases emissions, responsible waste management, reducing and preventing pollution, participation in the biodiversity protection programs, are the elements of green transformation of business on the path to sustainable development of the Company and they are unfeasible without a full commitment

of employees and the management. Therefore, a program of education and training has been developed in the Company, carried out via an in-house portal, so that all employees could be informed of various environmental issues and become familiar with the applied measures that lead to the solution. The company strives to control the environmental impacts originating not only from own business activities, but also related impacts, taking into account the perspective of the lifecycle of activities, services and products. The Company's suppliers and business partners are well aware of the fact that they must comply with environmental principles, in order to jointly accomplish the goals of sustainable development. Relying on its own resources, Telekom Srbija has

enabled broad public to get acquainted with the environmental protection programs, and, above all, preservation of biodiversity and eco-system balance.



Think global, act local.

SOCIAL 03



Responsible business as a lasting commitment

Dealing with the social factors of ESG, that is, SOCIAL is the key to the creation of a sustainable and responsible organization. This includes an active engagement towards the improvement of diversity, equality and inclusion inside the company and the promotion of ethical behaviour and social responsibility in the overall business activities of members of Telekom Srbija Group.

We traditionally encourage initiators through:



Global Compact
Network Serbia



**mts app
competition**

**11 CYCLES
200 APPLICATIONS
168 TEAMS**

**We create
knowledge**

**6 YEARS
120 SCHOOLS
120
COMPUTER
CLASSROOMS**

For 25 years we have been where you are

In the year in which Telekom Srbija marks its 25th anniversary of successful operation, during which period it developed from the national operation into the regional leader in the sphere of telecommunications and media content, with aspirations towards world markets and its employees as its most important resource, not only does the Company achieve important business results, but it also makes important achievements in the field of corporate social responsibility as a reliable community partner.

In view of the results so far, Telekom Srbija has continued to implement the strategic projects launched over the past period.

As a company committed to sustainable development, with the already established system of environment management and adopted Environmental Policy, its priority is continued improvement of the performances in that sphere. Also recognized was the importance of preserving biological diversity. By maintaining its campaign No Species Dies Alone, the Company tends to preserve biodiversity and ecological balance in nature, in cooperation with associations for the protection of rare and endangered species.

In the course of 2022, investments in young people and education were in the focus of attention, for which purposes as much 67 percent of the budget for donations was set aside. In that respect, the programme We Initiate the Initiators is of particular significance.

Telekom Srbija

- The Champions of Sustainability Award for the best business practices and corporate contribution to the achievement of the Sustainable Development Goals for the project entitled No Species Dies Alone
- The recognition for its corporate contribution to the economic empowerment of women
- The recognition for its long-standing support for the development of sports for persons with disabilities
- The Charter for its exceptional contribution to the campaign "Save food, save humanity" and the development of benefaction and philanthropy

Mtel Podgorica

- First place among "Top 100" in terms of revenues in the sphere of telecommunications
- The best manager for 2022 – The Employers' Union of Montenegro (UPCG)
- The best manager for 2022 – The Managers' Association of Montenegro (AMM)

Mtel Banja Luka

- The certificate for the best mobile network in Bosnia-Herzegovina, Systemics PAB Poland
- The plaque for the significant support for the activities of the Changer and contribution to

economic and social development, the Chamber of Commerce of the Republic of Serbia

- The thank you note for the support offered in the implementation of prevention activities in the sphere of traffic safety, the Ministry of Transport and Communications of Republika Srpska and the Republika Srpska Traffic Safety Agency
- The award of the National Theatre of Republika Srpska
- The charter for a special contribution to and promotion of occupational health for 2022, the Association of Occupational Health Engineers Banja Luka
- The recognition for its contribution to the development of corporate social responsibility for 2021, the Chamber of Commerce, Republika Srpska
- Top 10 most desirable employers in B-H for 2021, Kolektiv-MojPosao.ba as chosen by visitors to the portal Mojposao.ba
- Top 3 most desirable employers in the sphere of telecommunications and other information services in B-H for 2021, Kolektiv-MojPosao.ba as chosen by visitors to the portal Mojposao.ba

Listed below are the key socially responsible activities of Telekom Srbija Group classified in accordance with adopted sustainable development goals with the aim of eradicating poverty, protecting the environment and ensuring peace and prosperity for all. The global goals and sub-goals are numbered according to the adopted Agenda 2030.

Featured below are all key activities implemented in 2022, which have a direct or indirect impact on the achievement of the said goal and sub-goal.



Sub-goal 1.5.

To develop, until 2030, the resilience of poor and vulnerable people and reduce their vulnerability and exposure to extreme climate events and other economic, social and environmental shocks and disasters

Telekom Srbija pays special attention to vulnerable population categories. In 2022 too, the Company participated in the campaign Save Food Save Humanity, making its contribution to the implementation of one of the most humane objectives – food donations for the most vulnerable population.

Mtel Banja Luka

You are not alone, you have friends!

As part of this campaign, representatives of Mtel Banja Luka toured a large number of towns in the region of B-H in order to ensure, for the

most vulnerable and most sensitive groups, heating supplies, food and hygiene humanitarian packages, means of labour, school supplies, and construction material and provide for the reconstruction of housing facilities.

Through donations, and reconstruction and refurbishment of returnees' homes, and restoration of schools and playgrounds, Mtel Banja Luka maintained its activities within its major humanitarian drive called „You are not alone, you have friends“, which the company launched at the end of 2021. In addition, Mtel Banja Luka also ensured resources intended for the operation of the Centre for Offering Support for Returnees in the town of Bosanski Petrovac. Mtel Banja Luka also provided the Social Welfare Centre of the Municipality of Vukosavlje with food and hygiene supplies intended for vulnerable categories.

After providing food and hygiene products to the residents of Drvar, Mtel Banja Luka decided to lend assistance once more, this time focusing on youngsters. More specifically, it was with the help of Mtel that one of the major issues of the Drvar Primary School in the town of Drvar was resolved – lighting in the gymnasium.

Of course, Mtel Banja Luka did not forget about the other vulnerable groups – it provided assistance in the form of food and hygiene products for the beneficiaries of the Red Cross of the local community of Borik in Banja Luka.

Mtel representatives toured the monastery of Žitomisljić and the Benefactor Humanitarian Society to deliver, in the run-up to Orthodox

Christmas, aid consisting of food and hygiene products to socially most vulnerable local families, that is, families in the region of the Hercegovina-Neretva canton.



Sub-goal 3.8.

To ensure a universal reach of health care, including protection from financial risk, availability of quality basic health services and availability of safe, efficient, quality and affordable basic medicines and vaccines for all

Pursuant to requests received from health care institutions, the support for the health care system of Serbia continues and current health care needs have been met including the provision in 2022 of free Internet and TV services and additionally, the grant of funds for the procurement of the necessary medical equipment for the Zvezdara and the Bačka Topola Health Care Centres. The associations and organizations dealing with health care were also assisted by the free activation of SMS and relief numbers. With this form of cooperation, Telekom Srbija endeavours to contribute to the creation of better conditions for a more quality life for a large number of people.

The Company stood by the Friends in Need humanitarian organization in the course of 2022 as well. On Mt Zlatibor, implemented was a programme for the rehabilitation, socialization and achievement of independence by young people with developmental disabilities through trips to the mountain, walking and socializing. Telekom Srbija supported the Čika Boca association of parents, care-givers, children and friends of children suffering from malignant diseases to stage, for a tenth consecutive time, a camp called We Can Do Anything on Mt Mokra Gora. With the aim of ensuring more quality

life for young people suffering from diabetes, overcoming prejudices of this expanding disease and keeping it under control, supported was the Association of Serbian Societies for Fighting Diabetes in the organization of the camp My Sweet Life in the village of Kušići.

Two humanitarian associations of voluntary blood donors including 1038 regular members-blood donors operated within Telekom Srbija in 2022 as well.

Mtel Banja Luka

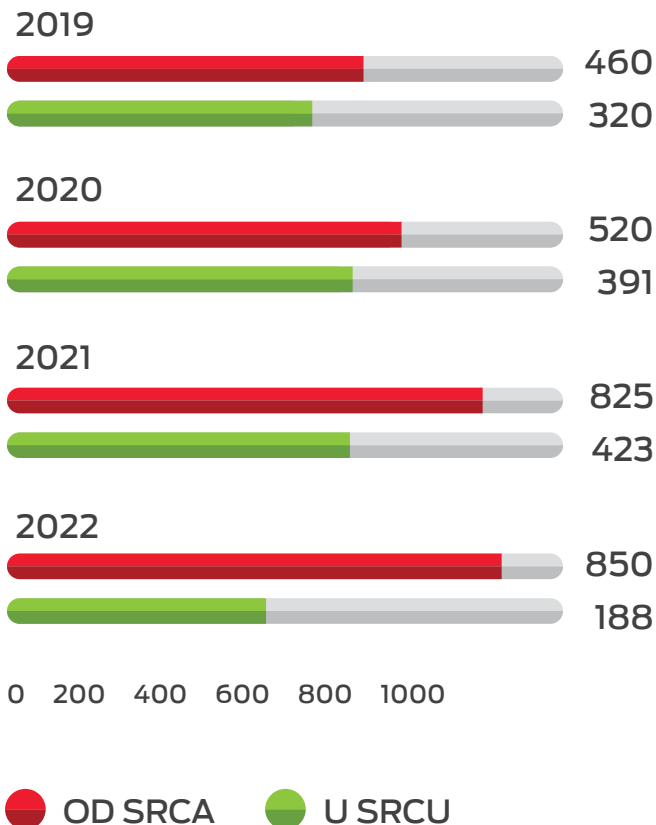
During 2022, substantial funds were provided for various purposes, like, for instance, for the medical treatment of individuals, for the Sokolac Special Psychiatric Hospital and the Diabetics' Association of Foča. Part of the funds were granted for the supply of Quo-Lab A1C test Kits for measuring glycated haemoglobin concentrations. Mtel Banja Luka set aside funds for the implementation of the project of opening the Zvezdica cafe for youngsters in Banja Luka and funds for a socially responsible project of bench restoration at Bentbaša in Sarajevo.

YUNET

In 2022, YUNET participated in providing donations to the Hrabriša Association for children suffering from neurotransmitter disorders, dopa-responsive dystonias and other neurometabolic diseases, by purchasing select products with the respective logos of the Association and YUNET.



Investing in the community for Telekom Srbija is a privilege and an opportunity to make life in it better. The company has consolidated its efforts in this field, reflected in the support for entrepreneurship and young people, as well as in investing in education, through the umbrella programme "We Initiate the Initiators" - designed with the aim of providing support to individuals and institutions in generating positive changes in their environment. The programme unites different generations of young people and starts with the youngest initiators. Those in the computer rooms, fitted out through the *We Create Knowledge* project, have the opportunity to study better and easier, with the help of teachers, thus contributing to positive changes with their knowledge. It is followed by the mts app competition project, in which high school students have the opportunity to change the world for the better with imaginative and useful applications. The advanced ideas of young engineers from the former startup, currently the company "Strawberry energy", translated into original solar smart benches, give community members, in addition to recharging batteries for mobile devices, an insight into a series of meteorological and environmental data, thus contributing to raising the awareness of the need of using green energies.



Sub-goal 4.3.

Ensure, until 2030, equally accessible and quality education at all levels, including university, for all women and men

The dual education project of the Serbian government is a project which, in accordance with modern technological trends, aims to improve the process of education in secondary vocational schools for certain professions and promote their adequate application in practice, and at the same time, contribute to strengthening the competitiveness of the Serbian economy.

In 2022, dual education was implemented with a new generation of students of the Secondary Technical PTT School for the educational profile telecommunications network fitter. Learning through work in dual education was implemented for 19 students of the new generation and 20 students of the first generation with the support of licensed instructors.

What was new in 2022 is the fact that Telekom Srbija is to grant scholarships to the 5 best-ranked students. The goal of awarding scholarships is to encourage students to achieve the best possible results in school and in practice, and to reward the effort and commitment of students who have achieved the best results.

We Create Knowledge – We arouse curiosity from school years

For better opportunities and prospects in the future, both in the field of personal and professional development and in the sphere

of social development, improving education and investing in knowledge represent the most important starting point. In accordance therewith, Telekom Srbija is implementing the project “We Create Knowledge”, investing funds in the fitting out of modern computer classrooms in primary schools throughout Serbia. The company is implementing its project in cooperation with the Ministry of Education, Science and Technological Development. During the six cycles of the “We Create Knowledge” project, a total of 120 IT classrooms were equipped in 120 primary schools in Serbia, and for this purpose, the company invested 120 million dinars. Every year, the company provides for the purchase of modern IT equipment for a number of secondary schools nationwide as well.

Mtel Banja Luka

New classrooms for the Faculties of Electrical Engineering in Banja Luka and East Sarajevo

In June 2022, the works on the reconstruction, i.e. the refurbishment of the classroom at the Faculty of Electrical Engineering, Banja Luka, were completed. It was a high-value project, and the classroom was completely refurbished. In 2022, Mtel Banja Luka set aside funds for the refurbishment and renovation of the classrooms of the Faculty of Electrical Engineering in East Sarajevo.

Sub-goal 4.4.

To substantially increase, until 2030, the number of young people and adults with

relevant skills, including technical and professional, for employment purposes, worthwhile jobs and entrepreneurship

Professional training of students and pupils

During 2022, Telekom Srbija traditionally implemented a mandatory professional internship for students and pupils in Belgrade and other cities in Serbia. Professional practice, with mentor support, was organized for a total of 81 students from the University of Belgrade, Novi Sad, Čačak, Niš, as well as the University of Priština (Faculty of Technical Sciences, Kosovska Mitrovica). This year, the largest number of interns is from the Faculty of Traffic Engineering - 14 students, as well as from the College of Vocational Studies for Information and Communication Technologies - 14 students. The practice was also organized for nine students of the Faculty of Electrical Engineering, 4 students of the Faculty of Organizational Sciences, 6 students of the College of Electrical Engineering and Computing, 8 students of the Faculty of Technical Sciences in Novi Sad, and for students of other higher education institutions in Serbia.

This year, professional practice was organized for an impressive 409 students of secondary vocational schools in Serbia, whereof the majority attend the Secondary Technical PTT School in Belgrade.

Mtel Banja Luka

Professional training programme at Mtel

At the beginning of August 2022, Mtel hosted

a group of 25 students from the electrical engineering faculties of Banja Luka and East Sarajevo, the Faculty of Electrical Engineering of Tuzla, the Faculty of Technical Sciences of Novi Sad and the Faculty of Science and Mathematics of Banja Luka, who completed a summer internship programme in this company. Together with this group of interns, around 200 students completed professional internship at Mtel Banja Luka over the last four years alone.

Over the last two decades, which is how long Mtel Banja Luka has been offering an internship programme for high school students, over 1,000 students completed internship at this company. The students of the Banja Luka Electrotechnical School “Nikola Tesla” successfully completed the internship programme at the Mtel this school year. In 2022, Mtel Banja Luka, for a second time, organized a summer school for gifted students of Banja Luka Grammar School who are interested in modern technologies and systems.

Sub-goal 4.b.

To increase, until 2020, globally the number of scholarships available to developing countries, particularly less developed countries, small developing island states and African countries for receiving higher education, including professional training and information and communication technologies, technical, engineering and scientific programmes, in developing countries and other countries in the region

Telekom Srbija

Telekom Srbija scholarships

Mts app competition-the application of our initiators is bringing about change

The mts app competition was launched by the company in 2011 with the aim of encouraging talented high school students to develop applications for mobile devices, but it also contributes to the development of creativity and team spirit. The competition includes 51 schools that operate according to a special curriculum for talents in the field of mathematics, informatics and computing, and student teams during the competition cycle are tasked with designing and programming applications in Android™ or iOS and presenting them to the jury. After five winning applications to receive valuable prizes are selected, the teams continue to compete within the Regional App Challenge against teams from Bosnia and Herzegovina and Montenegro, given that the competition is conducted under the same conditions by m:tel Banja Luka and m:tel Podgorica, with the possibility of their winning the main prize or the Igor Osmokrović special award for innovation.

The company traditionally supports the talents of the Mathematics High School in Belgrade and enables them to participate in international competitions and knowledge Olympiads. The company encourages talents in natural sciences in their efforts to improve their knowledge through support to the Regional Centre for Talents Belgrade 2, which organized the National

Geography Olympiad for high school students, and through support to the Centre for the Promotion of Science in the implementation of the event called “May, the month of mathematics”.

With the company's contribution, a multimedia and multidisciplinary event entitled “Tesla Global Forum” was also organized, which in the honour of the opus and legacy of the great scientist, through a comprehensive exchange of opinions and ideas, brings together scientists, innovators and students.

Mtel Banja Luka

Scholarships of Mtel Banja Luka

The ceremony at which scholarships Mtel Banja Luka have awarded for a 12th consecutive year to the most successful students of electrical engineering faculties in Bosnia and Herzegovina, was held in February at the Faculty of Electrical Engineering in East Sarajevo. By the end of the first cycle of studies, in addition to a monthly scholarship, nine scholars will have been granted by Mtel an opportunity to receive professional training for a month at the company and obtain employment after completing their studies. During 2022, a new competition for the selection of the 13th generation of m:scholars was opened.

Sub-goal 4.5.

To eliminate, until 2030, gender inequality in education and provide equitable access to all education levels and professional training

to vulnerable groups, including people with disabilities, autochthonous population and children in vulnerable situations

The development of digital technologies brings many advantages, facilitates communication, makes it faster and available everywhere. It also brings with it challenges and risks, especially when children are Internet users. As a company responsible for the community and especially committed to the education of young people, Telekom Srbija supported the UNICEF campaign “Stop online hate - for the safety of children on the Internet” and participated in the conference entitled “Safer Internet Day” with the aim of raising public awareness of detecting and preventing digital violence.

Mtel Banja Luka

Strengthening media literacy

Mtel Banja Luka, as a long-standing partner of the Ministry of Transport and Communications of Republika Srpska, actively participated in the project concerning the strengthening of media literacy among children in the RS, which was launched in 2019.

As part of the project “Strengthening media literacy among children in Republika Srpska”, training courses were organized for teachers and other professionals, with the aim of encouraging them to develop their students’ awareness of the importance of all media in our society, children’s right of protection, safety and privacy in the media, and to teach them about the ways in which they can use new media for their schoolwork.

Children’s safety on the Internet

International Child Rights Day is marked on November 20, and one of the fundamental child rights is the right to be protected from any type of violence. In this regard, this year as well, within the project “Safety of children on the Internet”, Mtel supported the drive concerning the safe use of the Internet by children and young people, which is implemented by the Ministry of Science and Technology Development, Higher Education and Information Society of Republika Srpska.

The website www.djecanainternetu.com offers content adjusted to children, parents, teachers, and the entire community, where the proper use of information and communication technologies is encouraged and affirmed. The goal, among other things, is to raise the awareness of children and young people, parents and all Internet users of the dangers of the online world. If used smartly and safely, the Internet can serve children and youth as an excellent means of communication and learning – it is the joint message of Mtel and the Ministry of Science and Technology Development, Higher Education and Information Society of Republika Srpska.

Safer Internet Day

This year too, as a socially responsible company, Mtel Banja Luka is also among those who support the marking of Safer Internet Day. In Bosnia-Herzegovina this year, a competition was organized for high school and primary school students related to internet safety, and the winners were awarded a tablet, a smartphone, headphones, batteries for charging mobile phones and other valuable awards.



Sub-goal 5.5.

To ensure that women fully and effectively take part and have equal opportunities for management at all levels of decision-making in political, economic and private lives

In accordance with mutual diversity as to the kind of activities performed, Telekom Srbija Group has a diverse gender structure per member. A significant number of members have a balanced share of both sexes in the total number of employees.

When it comes to the gender structure of the management, the share of women in top management is higher as compared to their share in the total number of employees.

Both genders are equally distributed within the total number of training hours of employees at the level of Telekom Srbija Group.

Gender structure of management

56%

44%

Gender structure of employees

62%

38%

MEN

WOMEN

8 DECENT WORK AND ECONOMIC GROWTH



Sub-goal 8.2.

Achieving higher levels of economic productivity through diversification, technological upgrade and innovations, including focussing on labor intensive and highly profitable sectors

To boost technological entrepreneurship, EUR 80,000 was invested over the past four cycles of mts startup acceleration, and free mts services and executive mentorship was provided for 10 awarded startups.

Mtel digital factory

During 2022, the [Mtel digital factory](#), the centre for the development of technological entrepreneurship and innovation in Podgorica, continued to operate. The Mtel digital factory offers the creators of good IT ideas perfect conditions for establishing and developing their own business, in order to launch projects and develop successful businesses as soon as possible. Concrete support, a customized workplace, a Cloud Computing development platform, technical support, a Startup program, administrative and legal advice, a great team and networking with other entrepreneurs were

provided. Under the auspices of the Mtel Digital Factory, the Startup Activator program was launched, intended for start-ups at the earliest stage of development, which aims to motivate young people to create products that will be applied not only in Montenegro but also beyond. The idea is to create a kind of ecosystem in Montenegro, where young people will be able to work and sell ideas all over the world while remaining in Montenegro.

Sub-goal 8.3.

Promote development oriented policies which support production activities, creation of decent jobs, entrepreneurship, creativity and innovativeness and encourage the official establishment and growth of micro-companies, i.e. small and medium-sized enterprises, among other things, through access to financial services

Management of employee development in the parent company is implemented through regular planned educational and developmental and motivational modalities specifically intended for management, talents and other employees (various types of internal and external education, business simulations, teambuilding programs, additional training). With the help of the learning platform, the role of the employee as a partner in creating a culture of continuous learning and development is improved.

Trainings

In 2022, the employee's share in the training programs was greater than the management's

share, although the number of training hours for managers also increased compared with the previous year, which likewise resulted in increasing the overall number of training hours.

Hours of education

	Telekom Srbija		Mtel Group	
	2021	2022	2021	2022
no. of hours	45,917	49,097	10,978	19,514
Employees	36,973	34,085	10,351	15,470
Management	8,944	15,012	2,144	4,044

Number and structure of implemented training programs of the most important members

	Telekom Srbija		Mtel Group	
	2021	2022	2021	2022
Training for professional licence	115	24	27	37
Education by the Company	5	12	14	0
Talent program	236	214	0	0
Team building	551	362	60	424
Rotacije	28	172	1	0
Internal training	117	660	457	148
Personal development trainings	1,088	1,497	339	409
TOTAL	2,140	2,941	898	1018
No. of employees with professional licences	446	439	55	77
No. of employees who are members of professional organizations	458	418	39	38

Rotations

In 2022, the employee rotation program in Telekom Srbija continued, with significant increase in the number of employees involved in this process compared to the previous year. In cooperation with the Training Centre, workshops for mentors were held in the process of Job Rotations, attended by a total of 21 employees from various organizational units.

Job rotation of employees between Telekom Srbija and subsidiary Yunet kicked off. 19 employees from Yunet had a chance to learn the business processes and method of work of specific organizational units of Telekom Srbija, sharing experience through interactions with their mentors from Telekom Srbija, acquiring knowledge in the sphere of work they expressed interest in and making direct connection as a basis for further cooperation. Within the same program, 3 employees of Telekom Srbija have successfully completed their rotation in Yunet.

Flexible benefits in Telekom Srbija

In 2022, 852 employees – users of flexible benefits from all organizational units of the Company were determined. A total of 2,978 requests for different types of flexible benefits were accommodated (different types of employee insurance, different types of training, tourist trips, covering the costs of educating the employee's children, medical services, fitness and wellness services, various gift cards and vouchers).

In 2022, 19 housing loans were granted to employees, against participation in loans with

commercial banks, whereby the Company supported its employees in addressing one of the most important life issues. In 2022, to mark March 8th, one-off payments were made to all women in the Company, regardless of the type of employment, as well as New Year's gifts to children – payments to the employees with children up to 10 years of age, and children with special needs up to 15 years of age.

Telekom Srbija has been providing voluntary pension insurance for all employees since 2008, in the voluntary pension funds Dunav and Generali. Telekom Srbija continues the tradition of jubilee awards for employees and former employees, who during the year will have continuously worked in Telekom Srbija, i.e. the PTT system of Serbia for 10, 20, 30 or 40 years.

Mtel Banja Luka employee of the year

Mtel Banja Luka, in accordance with its practice from previous years, awarded its employees in 2022 as well. The "Employee of the Year" award went to a total of 36 employees in 2022, and the criterion for the reward was the business conduct that clearly promotes corporate values.

Sub-goal 8.6.

By the end of 2020 significantly reduce the share of young people who are not employed or involved in the education i.e. training process.

In 2022, the members with the largest number of newly hired employees were Telekom Srbija (45% of the total number) and Mtel Banja Luka (18%).

Age structure of the newly hired employees	2021	2022
< 30	29%	26%
30 - 50	52%	66%
> 50	19%	9%
Total number of the newly hired employees	653	937
No. of departures (attrition) from Telekom Group	497	540
Net change	156	397

The average rate of external fluctuation on the Group level is 4% - the same as it was in 2021.

Likewise, most of the Group members have the same or lower rate of external fluctuation compared to the previous year.

External fluctuation rate	2021	2022
Telekom Srbija	2%	2%
Mtel Banja Luka	7%	7%
Telus	13%	14%
mtel DOO Podgorica	2%	4%
Arena Channels Group	9%	9%
mts D.O.O.	5%	2%
MTEL Global	29%	29%
YUNET	13%	13%
TS Ventures	-	-
MTEL DOOEL Skopje	-	31%
AVERAGE	4%	4%

Sub-goal 8.8.

Protect the labor-related rights and promote a safe and secure working environment for all employees, including migrant workers, especially women migrants, and those performing dangerous tasks

During the pandemic, the Telekom Srbija Group exhibited a high level of understanding and care for employees and made additional efforts to ensure uninterrupted remote working and redistribution of working hours for all employees whose workplaces made this possible.

The bylaws of the Telekom Srbija Group members envisaged the right to regular health check-ups for employees, as well as solidarity aid, both for employees and their family members.

The activities defined by the Law on Safety and Health at Work are consistently applied. In order to raise the level of occupational safety and health, Telekom Srbija implemented the ISO standard 45001: 2018 in 2019 and adopted the Occupational Safety and Health Policy, which defines the principles and areas of implementation. At the end of 2022, recertification was successfully carried out, i.e. the validity of the obtained certificate was extended. Accordingly, appropriate training is provided annually for employees in high-risk jobs, as well as for new hires and employees who are reassigned to other jobs.

Telekom Srbija provides collective insurance for all employees from the consequences of an

accident at work and outside of work (24 hours) and grave illnesses and surgical interventions.

Telekom Srbija provides additional protection of employees through collective insurance, with a special insurance of employees who are assigned to jobs with increased risk. Other members of the Group have defined the basic insurance of employees and professional liability insurance in their internal acts.



Sub-goal 9.1.

Develop quality, reliable, sustainable and resistant infrastructure, including regional and cross-border infrastructure, in order to support economic development and human welfare, with a focus on cheap and equal access for all.

This goal is successfully implemented through the ALL IP project of fixed telephone network modernization where customer speeds may range up to 1Gb/s for the purpose of creating a more favourable business environment for new investors.

in Serbia, Telekom Srbija has until now built and provided:

- optical cables for 1,030,000 households,
- 31,090 km of cable have been laid,
- almost 1.6 million km of optical cables were laid,
- 1.8 million lines at digital exchanges, and
- 2,895 base stations.



optical network

1Gb/s

internet speed

1,030,000

households

31,090 km

cable

1.6 million km

optical cables

2.895

base stations

Through a joint project with the TTT ministry, called *Rural Broadband*, it is planned a joint build optical infrastructure for covering a large number of rural settlements. Joint construction is planned so that the TTT Ministry would build so-called mid-mile part of the network, from the operator's point of presence to the village, while the operator would build the access network in the village. Telekom Srbija signed contracts on joint construction with the TTT ministry in 382 out of 400 settlements. Until the end of 2023, the company will make it possible for some 60,000 households in these 382 settlements to have broadband services with speeds up to 1Gb/s.

Sub-goal 9.c

Significantly increase access to information and communication technologies and make efforts to provide universal and affordable Internet access in the underdeveloped countries until 2020

Telekom Srbija invests significantly in improving network quality in all the areas of our country, both urban and rural. For rural and less developed areas, technically more feasible and economically more acceptable are solutions through wireless technologies, so that significant efforts were made in order to improve the coverage of territories and population of such areas by mobile signal. According to RATEL's latest applicable report (fourth quarter of 2022), Telekom Srbija provides the coverage of 99.35% of population by 2G signal, 97.24% population by 3G signal and 98.26% of population by 4G signal (which is also the largest percentage of population coverage by

4G signal among the operators in Serbia).

98,26%



population
by 4G signal



Sub-goal 11.4.

Increase efforts to protect global cultural and natural heritage

Each year since 2015, on the eve of New Year's holidays, Telekom Srbija enhances library stocks of 10 elementary schools across Serbia with recently published books. Since school libraries are the places where pupils develop their media and computer literacy, the Company made a donation to the *Radoje Domanović* library in Velika Plana and thus helped the implementation of the project *E-library Available to All*. The company has provided long-term support

to the activities of the Faculty of Fine Arts and talented individuals, and in 2022 Telekom Srbija granted pecuniary reward for the best student work at the Department for New Media.

Telekom Srbija provided support to the event *Poetry Relay*, multimedia event *Zmaj's Children Games* at their jubilee 65th iteration, 57th *Children's October Salon* and to the Association of Petrovac Fine Artists of Bački Petrovac for carrying out the project *Children's Art Colony–Slovak Ornament*.

Pursuing years-long cooperation with Ethno Network, as one of the patrons of the exhibition *100 women – 100 miniatures*, Telekom Srbija endeavours to contribute to the affirmation of women entrepreneurship in rural environments and their motivation to produce artefacts.

In the sphere of theatre art, the company traditionally supports the *Nušić Days* event in Smederevo, while in the sphere of music art, in the jubilee year of Telekom Srbija's operations, the partnership with the Ilija M. Kolarac Endowment continued through the music event *Kolarac Your World of Music – 25 Years of Cooperation with Telekom*. The support was also extended to the *Medimus Festival of Medieval Music*.

Churches and monasteries are the foundations for preserving faith, culture and language of a nation, and as in previous years, Telekom Srbija helped renovate several religious facilities. The company has been supporting for years now the event *Sport Congregation of Holy Serbia* which is a chance for children and their parents

to spend some time together in nature and to develop sporting and team spirit through some entertaining activities. In this manner, the company helps strengthen the spirit of unity, traditional and family values.

Mtel Banja Luka

Mtel Banja Luka supports art through donations and sponsorships of cultural institutions and events:

- support to the National Theatre of Republika Srpska and Children's Theatre of Republika Srpska
- Theatre Fest *Petar Kočić*
- International Actor Festival *Zaplet*
- *Banjaluka Ethno Days*
- 103rd *Šantić' Poetry Evenings* in Mostar
- various music events (*Banja Luka Fest*, *St. George Festival*, *Nektar Garden Fest*, *Nektar OK Fest 2022*, *Fresh Wave 2022*, *Sarajevo children's festival*, *Trebinje Stars* and June concerts on the fortress *Kastel* in Banja Luka.)

Sub-goal 11.6.

Until 2030 reduce the negative impact of cities on the environment, measured per capita, with special attention to air quality and waste management at the municipal and other levels

Telekom Srbija supports in particular any type of innovation aimed at the progress of sustainable

development, especially through the use of renewable energy sources. Led by this principle, the company has donated to the Public Enterprise Ada Ciganlija a *Strawberry* smart bench powered by solar energy, demonstrating its preference for technological innovation in its CSR activities aimed at using the green energy.

The smart bench enables all visitors of Belgrade's eco oasis to use the benefits of this advanced urban furniture as it is equipped with meteorological sensors for measuring the temperature, air humidity and air pressure, and, very important, the air quality and noise level under ecological standards. Besides providing a relax-and-enjoy spot by the Sava Lake, it also provides the park visitors in the capital with free mts Wi-Fi services and charging slots for their mobile devices.

Thanks to the cooperation with *Strawberry Energy*, lasting for over ten years, Telekom Srbija has already donated smart benches to the City of Novi Sad, the Centre for Professional Upgrade in Education in Leskovac and the Secondary Schools Student Dormitory *Milutin Milanković* in Belgrade.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Sub-goal 12.4.

Until 2020 achieve environmentally sound management of chemicals and all types of waste throughout their life cycle, in accordance with the agreed international frameworks, and significantly reduce their release into the air, water and soil in order to minimize their negative impact on human health and the environment

Through the Environmental Management System, Telekom Srbija is committed to prevention, control and reduction of all types of pollution. Special attention is paid to the control and reduction of people's exposure to non-ionizing radiation of radio base stations of mobile telephony and safeguarding the life space from EM fields of anthropogenic origin.

The prevention is applied on a daily basis, through:

- careful planning of wireless access network;
- use of the state-of-the-art and certified telecom equipment;
- assessment of environmental impact in line with the regulation (preparation of expert assessment of environmental

hazards, measuring the level of EM fields, environmental impact studies);

- preparation and submission of reports on the measurement of EM fields to the competent authorities and interested parties; and
- cooperation with the public administration bodies, professional organizations, civil sector, etc.

In 2022, we performed first measurements for 349 base stations (at a total of 77 locations).

Expert Evaluations of Environmental Hazards were carried out for a total of 137 locations, including the measurements for 486 base stations. In addition, 40 zero measurements were performed within the Expert Evaluations for newly planned locations.

The total number of radio base stations measured was 835.

There were 47 environmental impact studies compiled.

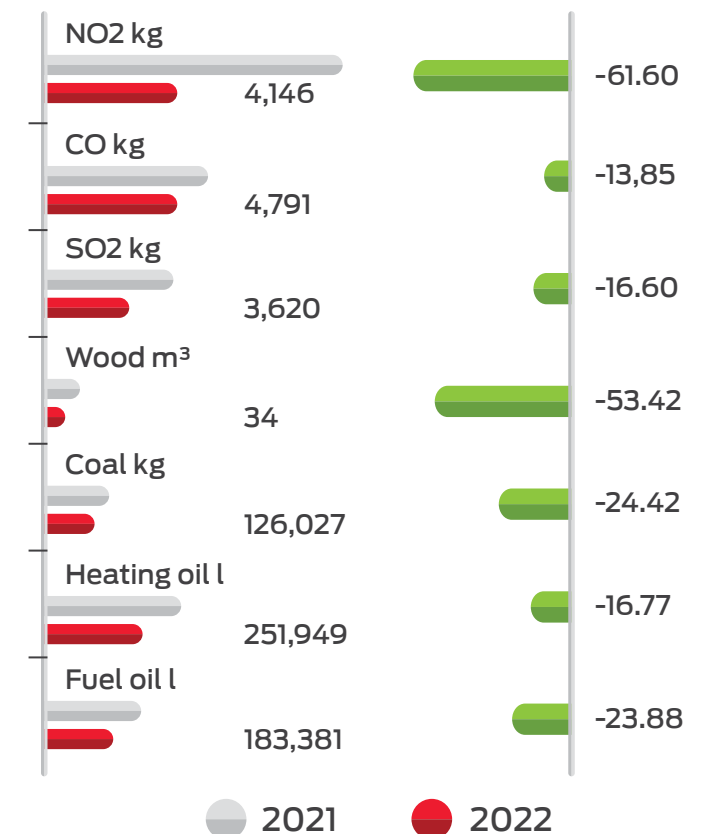
We took part in 37 public debates.

Inspection supervisions to control the work of mobile telephony RBSs were made 69 times. The control was performed for 239 radio base stations.

Owing to systemic management of thermal energy and deliveries of fuels for heating business premises and facilities, subject to strict control, we do our best to optimize the consumption of energy supplies compared to previous years and to downsize the emissions of pollutants.

Consumption of raw material and energy and emission of gases

	2021	2022	Downsize rate
NO2 kg	10,797	4,146	-61.60
CO kg	5,562	4,791	-13.85
SO2 kg	4,341	3,620	-16.60
Wood m ³	73	34	-53.42
Coal kg	166,755	126,027	-24.42
Heating oil l	302,715	251,949	-16.77
Fuel oil l	240,906	183,381	-23.88



In 2022, RSD 2,076,639 was spent on maintenance of boiler rooms and air conditioners, as follows:

- boiler rooms (coilers and burners) RSD 1,792,800.00
- repair of air conditioners due to increased level of noise in Belgrade RSD 229,389.00 and in Novi Sad 54,450.00.

The result of optimizing the car fleet and applying organizational and technical measures of operation in Telekom Srbija led to reduced consumption of fuel, and, correspondingly, the emission of greenhouse gases.

All vehicles with the latest generation engines conform to at least Euro 6 standard. The majority of vehicles have an option to use additives aimed at reducing the emission of nitrogen oxides. The number of vehicles in the car fleet has been stabilized. For the purpose of optimizing the number of vehicles, the use of vehicles is monitored, and measures taken for an optimal use.

Car fleet	2020	2021	2022
Number of vehicles	1,848	2,462	1,694
Share of freight vehicles in total number	514	516	899
Fuel consumption	2020	2021	2022
Diesel (Lit)	1,385,086	1,961,032	1,353,691
Petrol (Lit)	1,019,771	1,069,595	1,020,625
Total	2,404,857	3,030.627	2,374,315
Consumption per vehicle	1,301	1,231	1,402

Mtel Banja Luka

In 2022, 242 reports were produced of systemic examination of the level of non-ionizing radiation of electric field from mobile telephony RBSs and 1,002 reports on measuring the level of EM fields at the locations of base stations across Bosnia-Herzegovina. Monitoring was made of the sources of EM fields at 20 locations of mobile telephony base stations.

According to the Ministry of Health and Social Care, for the purpose of obtaining the licences for the use of base stations, 390 requests were made based on the applicable legal regulations. The Regulatory Agency for Communications has received 677 requests for obtaining safety-to-deploy certificates for the base stations in the territory of Bosnia-Herzegovina.

According to the request of the Environmental Inspection of the City of Banja Luka, four measurements of noise generated by air conditioning systems were made.

As per the request of the Environmental Inspection of the City of Banja Luka four measurements were made – monitoring of noise produced by air conditioning systems. In 2022, regular and extraordinary spring and autumn deratizations were carried out at the Company facilities of all executive units, for the purpose of preventing and suppressing infectious diseases, as well as extraordinary disinsectization and disinfection of the Company facilities.

Mtel Podgorica

Through its activities, Mtel Podgorica raises the awareness of its employees about the importance of environmental protection.

To contribute to a cleaner and healthier Montenegro, it conducts the following activities:

- proper waste disposal;
- air protection from pollution of exhaust gases from company vehicles;
- raising citizens' awareness that all of us individually can make contribution to the protection of environment, by proper waste disposal;
- employees participate in the implementation of all activities that the company implements in the sphere of social environment protection,
- all projects which are planned and implemented go through a procedure with ecological experts from the relevant Ministry,
- all the premises are designed so as not to

harm the environment,

- disposal of waste (primarily electronic waste, computers, phones, various technical devices) is conducted with the company licensed for the destruction of electronic waste,
- all company cars have a reduced air pollution, and
- experts are engaged for various measurements in terms of air pollution, radiation, noise, etc. Measurements are also performed in cooperation with the Ecotoxicological Institute of Montenegro

Sub-goal 12.5

Until 2030 significantly reduce the production of waste through prevention, reduction, recycling and reuse

The management of waste generated through Telekom Srbija business operations unfolds in line with the adopted Waste Management Plan with the principle of waste management hierarchy, i.e. a set of priorities in the management practice: prevention, prevention, reduced waste generation, recycling, reuse and disposal. Where possible, measures are taken encouraging the solutions for achieving the best results for environment. In special waste flows, there is a deviation from hierarchy, where it is justified by life cycle, taking into account overall impacts on the generation and management of such waste. The software application of the Environmental Protection Agency, Ministry for Environmental Protection, used for monitoring waste delivery, is regularly

updated.

Compared to 2021, Telekom Srbija delivered 122.61 tons more waste. The reason resides in the fact that in 2022, modernization of telecommunications network was carried out, and that the number of business premises used was reduced, which resulted in a lot of write-offs. Handing over 502.54 tons of waste to be recycled and further handled by authorised entities, generated revenues in the amount of RSD 28,349,204.46.

Waste quantity (in t)

	2021	2022
Total non-hazardous waste	222.42	312.44
Total hazardous waste	157.51	190.10
Total hazardous and non-hazardous waste	379.93	502.54

In 2021, members of Telekom Srbija Group conducted intensive campaign for the E-invoice service entailing numerous benefits and discounts for customers whereunder it is estimated that significant savings were made.

The structure of investments in environmental protection (RSD)

	2021	2022
Funds invested in environmental protection	663,066	3,068,623

Paper consumption (1 ream - 500 sheets)

	2020	2021	2022
Savings in the consumption of paper and printed material	27,997	39,087	39,332

In order to further implement the initiative to reduce the use of paper, Telekom Srbija has undertaken and planned further activities to introduce electronic office operations and reduce emerging paper documentation, as follows:

- From 2019, the company has provided the scanning of complete incoming documentation received in paper form in file rooms, as well as its electronic delivery to organizational units, through the documentation management application (JAKiA);
- The company has extended the range of receiving electronic incoming documentation through the official electronic address of the file room;
- In 2020, the company launched the process of successive and partial inclusion of organizational units into the process of application of the original electronic incoming and outgoing documentation;
- In 2022, the company secured the archiving of electronic documentation. Upon obtaining a qualified time stamp, by the end of 2022 and in 2023, it is planned to migrate to the use of originally electronic internal communication, and to extend the range of outgoing and incoming electronic documents to other legal entities; and

- In 2022, the number of incoming and outgoing invoices in paper form with other legal entities was significantly reduced, by transition to electronic invoices, through the system for electronic invoice management of the Finance Ministry.

Mtel Banja Luka

As in previous years, in 2022, In accordance with the agreement on the transfer of obligations related to electrical and electronic equipment waste disposal and management in the territory of FBiH, Mtel Banja Luka regularly performed all its obligations towards the company which is the operator of the system authorized by the Environmental Fund of FBiH. The obligations of the authorized system operator, the ZEOS eco-system company is to collect and recycle electrical and electronic waste from products sold in the market of the BiH Federation via Mtel points of sale or otherwise.

In this way, we directly contribute to environmental protection in the territory of FBiH. For the quantity of packaging waste delivered in the territory of Republika Srpska, a fee was paid to Eurobeti spent for the purpose of financing environmental projects. We expect better results from this contractual arrangement in terms of collection and recycling packaging waste in RS, and preservation of nature resultantly. For the quantity of packaging waste delivered in the territory of FBiH, a fee was also paid to the Environmental Fund of FBiH which is spent for the purpose of packaging waste management.

In accordance with the Law on Waste Management of RS, The Fund for Environment and Energy Efficiency of RS was paid the relevant fee.

For the purpose of environmental protection in 2022, Mtel has continuously run internal and external campaign for saving paper, i.e. the use of electronic invoices instead of hard copy ones. Likewise, activities continued that reflect regular disposal of obsolete and faulty electronic equipment and broken phones returned by end users.

YUNET

YUNET implemented in its operations the Environmental Protection Policy in accordance with the requirements of the ISO 14001 standard. The key ecological goals and indicators in 2023 are as follows:

- Reduction of power consumption by 2% as compared to 2022;
- Reduction of fuel consumption by 2% as compared to 2022;
- 100% harmonization of waste disposal activities;
- Operation without incidents related to environmental protection; and
- Innovating IMS knowledge at least once a year.

YUNET continuously implements activities with the purpose of environmental protection:

- Regular disposal of communal waste;

- Regular, in clear time intervals, removal of consumed toners for printers;
- Replacement of damaged electronic and electrical components (routers, modems, etc.) and fluorescent tubes by engaging the relevant registered companies for these activities;
- In clear time intervals, review of filing material in the archive and packaging waste (paper, cardboard, PVC); and
- Rational and planned procurement of modems, routers and other equipment, without excessive stockpiling in the warehouse and procurement of only those materials that can be ecologically disposed of or recycled after their life cycle.



Sub-goal 15.5.

Undertake immediate and significant activities to reduce the degradation of natural habitats, impede the loss of biodiversity, and by 2020 protect endangered species and prevent their extinction

In 2022 the project *No Species Dies Alone* continued, whereby the company underscores

the importance of protection of biodiversity as one of the cornerstones for preserving ecological balance. The project emerged as a result of years-long support Telekom Srbija extended to the associations and experts conducting active measures of protection coupled with modern technologies of mobile telecommunications in monitoring endangered species, in order to improve their lives, but also the lives of all people. The support unfolds in three directions: financing the purchase of equipment for fieldwork, provision of technical support to experts and education of public about general and specific importance of maintaining biodiversity.

The first phase of the project was dedicated to the protection of birds, being the best indicators of environmental quality, as their distribution and number clearly reflect the conditions of habitats they live in, together with people. The company supported the programme of protection of endangered and rare bird species: griffon vulture, snake eagle, European roller and owls through the cooperation with the Birds of Prey Protection Foundation, Civil Association *Jadovnik* – oasis of intact nature, Naturalist Society *Gea* and the Nature Lovers Association *Riparia*. In cooperation with the Tara National Park, activities have been extended to include the protection of mammals. Supported by Telekom Srbija, NP Tara has tagged brown bear with GPS/GSM camera-equipped collar and thus helped reveal “the secret life of bears” for the first time in Serbia and get footage showing the behaviour of these endangered species.

Apart from the *No Species Dies Alone* project,

directly aimed at preserving the key species for the life of natural habitats, other measures are also taken during everyday business activities. Through the Training Centre, a video lecture was organized regarding this environmental issue, which brought this topic closer to the employees’ attention, as well as the measures applied for their protection. Steps are taken to preserve the endangered species encountered by Telekom Srbija’s employees during their fieldwork, such as obligatory reporting to the competent expert or the environmental institution, in order to determine further procedure.



Sub-goal 16.1.

Radically reduce everywhere all forms of violence and the related death rate

Respect for the rights of employees is a basic obligation in achieving the harmonization of internal relations. In Telekom Srbija, as a parent company, two channels of employee protection have been established through the internal portal, through which employees can resolve open issues regarding labour-related rights and obligations;

- Ask human resources, and

- Labour and legal counselling, within which employees can turn to a professional team of lawyers for any assistance in achieving and protecting their legal position in accordance with legal and internal regulations.

The Rules on Personal Data Protection define the basic principles and rules of conduct in the field of personal data processing and protection, considering the probability of risk and the level of risk to the rights and freedoms of individuals.

To protect each and any employee from discrimination and mobbing, one court proceedings was instigated in 2022. Likewise, in accordance with the Law on Protection of Whistleblowers, a person was appointed for the receipt of information and introduction of whistleblowing procedure.

Within the Telekom Srbija Group, trade unions are registered in Telekom Srbija, Mtel Banja Luka and Telus, with about 8,000 members, which is approximately 75% of their number of employees.

A total of 11 trade unions are registered in Telekom Srbija, whereof 2 are representative trade unions. Also, within Telekom Srbija, there are associations gathering over 2,000 members.

- Association of Fitters for the Telecommunications Network of Serbia (700 members)
- Association of Engineers of Telekom Srbija (175 members).
- Association of Shareholders Employed in PE PTT Traffic Srbija and Telekom Srbija (268 members)

Sub-goal 16.5.

Significantly reduce corruption and bribery in all their forms

The Rules of Procedure of Internal Whistleblowing, based on which the Decision on appointing a person to receive information and conduct a procedure related to whistleblowing, defines acting on the information for the purpose of determining and removing the irregularities indicated by information.

In 2022, The Code of Corporate Conduct was endorsed, which defines the fight against corruption and other illegal action.

The Company adopted the Integrity Plan, with the goal of establishing mechanisms that will ensure efficient and effective operations, through strengthening responsibility, simplifying procedures, increasing transparency in the decision-making process, controlling discretionary authorizations, strengthening ethics, eliminating inefficient practice and inapplicable regulations, as well as introducing a more efficient system of supervision and control.



Sub-goal 17.17.

Support and promote effective public, public-private and civil society partnerships built on the experiences and strategies of finding partnership resources



Global Compact Network Serbia

Telekom Srbija Group believes that the goals are best realized in communication with professional and dedicated people, which has been confirmed by several years of corporate membership in international and domestic professional and philanthropic organizations.

Telekom Srbija is aware that leadership in services and market growth carries additional responsibility towards the local community, as well as responsibility for the realization of global goals, which it accepted by joining the UN Global Compact in 2010.

Members of the Telekom Srbija Group are already traditionally active members of many

international and domestic organizations:

International:

- Cullen International
- European Telecommunications Network Operators Association (ETNO)
- Gartner
- GSM Association (GSMA)
- IEEE
- IoT Forum
- LoRa Alliance
- TeleManagement Forum (TMF)
- United Nations Global Compact Network (UNGCN)
- British Serbian Chamber

Local:

- Responsible Business Forum
- Digital Serbia Initiative (*Inicijativa digitalna Srbija - IDS*)
- NALED
- Foreign Investors Council (FIC)
- Serbian Association of Managers (SAM)
- Association of Corporate Directors of Serbia (*Udruženje korporativnih direktora Srbije - UKDS*)
- CFO & Controlling Club
- Serbian Philanthropic Forum
- Serbian HR Community (SHRC)
- International Association for Marketing Communications (IAA) – Serbian branch
- Association of Business Women in Serbia (*Udruženje poslovnih žena Srbije – UPŽ*)

Telekom Srbija is a member of the Serbian

Chamber of Commerce, Registry of Serbian National Internet Domains (RNIDS), and the employees are members of PMI Branch Serbia and the Chamber of Engineers of Serbia.

Mtel Podgorica is a corporate member of the following organizations:

- AMM – Montenegrin Managers Association,
- AmCham Montenegro – American Chamber of Commerce,
- MBA – Montenegro Business Alliance,
- Employers Union,
- Montenegrin Chamber of Commerce,
- MFIK,
- GSM Association

Mtel Banja Luka is a corporate member of the following organizations:

- AKOP – Association of Cable Operators (Asocijacija kablovskih operatera)
- FIC – Foreign Investor Council
- GSM – Global System for Mobile Communications
- TM Forum – TeleManagement Forum
- AmCham – American Chamber of Commerce in BiH

Other socially responsible activities of the Telekom Srbija Group for the purpose of taking care of the community

Investment in sports

“Movement for Women’s Basketball – Marina Maljković” purports to contribute, through its

activities, trainings and pedagogical work, to the promotion of basketball and team spirit among girls of primary school age. Recognizing the Movement’s values and their importance for healthy upbringing, Telekom Srbija has been supporting the Movement since its beginning, helping organize free basketball trainings.

In 2022, the basketball school was successfully organized on various sites in Belgrade, Obrenovac, Kosovska Mitrovica and Novi Pazar, with more than 60 trainings per week, continuously held even during summer vacations. In 2022, the Movement celebrated seven years of successful operations, during which 4,000 girls have made their first basketball steps at the Movement’s trainings.

In 2022, Mtel Banja Luka continued with the practice of supporting sports, and thus the true values it promotes. In addition to major agreements with the Football Association of BiH, the Football Association of RS and the Football Association of the BiH Federation, signed in 2020 and lasting until 2023, Mtel Banja Luka renewed old friendships in 2022, but also supported new sports clubs, events and prominent individuals.

Sports events in Mtel Banja Luka

Mtel Banja Luka supported the following sports events in 2022:

- “Sports Day” at the City Stadium in Banja Luka, organized by the Football Club Borac and Athletic Club Banjaluka, supported by the Football Association of RS and Mtel.
- The Balkans Judo Championship, with more than 250 competitors from eight countries.

- *Trojka iz bloka* – humanitarian organization Serbs for Serbs, organized the sporting and humanitarian tournament for the sixth time. The funds collected at the competition of fast 3-point shoot-out was donated this year for the assistance to a deprived family of eight.
- The eighth Jahorina Ultra Trail was held in late July and hosted the runners from more than 30 countries, organized by the Olympic Center Jahorina.
- 13th International Swimmers’ Meeting, organized by the Academic Swimming Club 22 April.
- Youth Sports Games in Sarajevo, 900 boys and girls from more than 60 towns in BiH, enjoyed 3-day competitions, but also entertainment programme.
- Small Olympic Games of Republika Srpska organized by the swimming club *Olymp Banja Luka* and the City of Banja Luka, supported by the Ministry of Family, Youth and Sports of Republika Srpska and with the friendly support by Mtel.
- Challenger Srpska Open, 20th jubilee ATP challenger held in Banja Luka in August, with Mtel’s friendly support for this Challenger since day one.
- European Kayak and Canoe Championship, a long-term friendship between Kayak and Canoe Club *Vrbas Mtel* and Mtel continued this year as well, supported by ECA European Kayak and Canoe Championship on wild waters for juniors and younger seniors under 23.
- *1,000 Skis for Our Children*, a donation of skis by Mtel to children and youth was organized on the Jahorina mountain.

GOVERNANCE 04



Governance

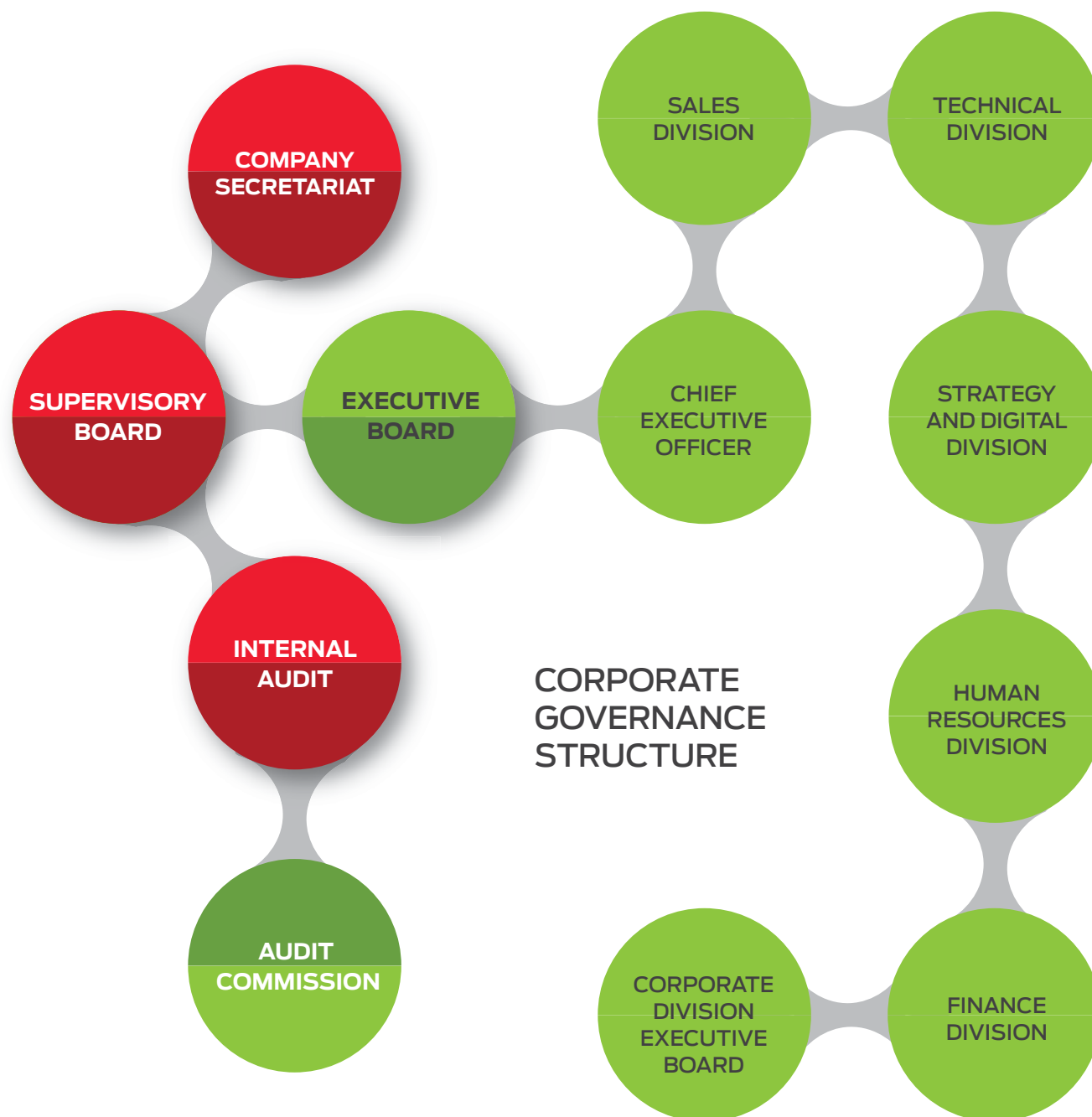
It implies the responsible conduct of business operations of the Telekom Srbija Group members. Governance is defined as a set of written and non-written rules associating environmental issues with institutions and governance rules.

Corporate governance

In accordance with the diversified business activities of the members, governance within the Group is conducted at the level of individual companies.

The General Meeting of the Company comprises all shareholders of „Telekom Srbija” a.d. Beograd. In 2022, 59th special session and 60th regular session of the General Meeting were held. The Supervisory Board conducts the activities falling within its competence in compliance with the applicable regulations.

Within Telekom Srbija Group, including Arena Channels Group, Mtel Global, TS Ventures d.o.o. Beograd and mts d.o.o., governance is organized as



one-tier, meaning that the corporate governance bodies include the following: the General Meeting and CEO. In other companies of Telekom Srbija Group, governance is organized as two-tier.

Code of corporate governance

Telekom Srbija applies the Code of Corporate Governance regulating, inter alia: the rights of shareholders, remunerations and rewards for members of the corporate governance bodies, public relations, data integration and transparency and promotion of the corporate system. The Supervisory Board of the Company is in charge of applying and construing the Code, and regularly monitoring its application and compliance of the corporate organization and activities with the Code.

Mtel Banja Luka has its own Code of Conduct and Corporate Governance. All matters not regulated by the Code, are directly subject to the provisions of the Company Law, Corporate Governance Standards, Statute and other by-laws of the Company. Mtel's statement of compliance of the corporate organization and activities with the Code of Conduct and corporate governance standards is published on the Company's website in the Investors section (www.Mtel.ba) and the website of the Stock Exchange (<http://www.blberza.com>).

The subsidiaries within Mtel Group including Logosoft, Blicnet and Financ also comply with the highest standards of corporate governance as a precondition for quality and long-term relations with the customers, partners and different stakeholders.

Telekom Srbija as the catalyst

Mission:

Through a synergy of experience and new knowledge, we are transforming ourselves, continually promoting customer satisfaction. We provide our customers with impeccable connections and top-quality digital experience anywhere anytime, thus becoming their first choice on the markets we operate in.



Vision:

A reliable partner in a digital world without boundaries.



Values:

Customers

All our activities begin and end with our customers. Satisfied customers are our greatest value. Through advanced technologies and digital services we develop and provide, we are endeavouring to generate needs and exceed their expectations, creating an outstanding user experience.

Team

Agile teams are the key to success in a digital era. We are creating a synergy of knowledge, skills and experience. We are open to different opinions and we respect diversities. We are guided by joint objectives and we share the same values in everything we do. We celebrate success and foster a culture of togetherness.

Responsibility

We take responsibility for the results of our work. The way we approach work reflects our willingness to take initiative, deliver more than expected and contribute to the success of the team and the company we work for. Through our actions, we build trust and create value for our customer, partners, shareholders and society as a whole.

Changes

We are changing ourselves and our business environment. We recognize opportunities for business improvement and digitization. We boldly explore new opportunities, and new markets. We ensure sustainable growth and development with creative and innovative solutions. We encourage initiative and constantly acquire new knowledge and skills for the digital age.

Results

We are focused on the result and achieve it together. We do the right things the right way and strive for excellence in everything we do. We are not afraid of making mistakes, but of not trying. We are dedicated and persistent in achieving our goals, which is why we remain the first choice of customers.

Corporate culture

In the conditions of dynamic development of technologies and strong competition in the telecommunications market, we want not only to strengthen our leader position in all market segments, but also dictate trends and be pioneers in innovation. In order to achieve this, it is necessary to continuously acquire new knowledge and skills and to adapt quickly to changes. Also, what we believe in and how we behave in our daily work and in our relationship with others largely determines the extent to which the corporate culture supports the future development of the company. That is why it is important to promote positive behaviours in the Company that will encourage employees to be innovative, to be promoters of our services whenever they have the opportunity to and to give their best in the execution of tasks.

Each year, a survey of corporate culture is conducted, which measures various dimensions of culture, with the aim of monitoring its development. The Engagement dimension, which reflects the degree of engagement of employees, their personal initiative, motivation and responsibility towards work, as well as the extent to which employees feel motivated in fulfilling their tasks and supported by managers, remained almost at the same level as compared to

2022. The development of culture is also contributed to by the existence of Communities as a virtual place where employees can communicate with their peers, and share information, knowledge and experiences. The number of visits to to Communities section is growing, which means that employees are increasingly turning to digitization and realizing the importance of digital transformation.

Effective are the following by-laws directing the employees to promote the corporate values inside and outside the Company:

- Code of Corporate Conduct
- Dress Code
- Business Communication Standards

Code of Corporate Conduct

Telekom Srbija adopted the Code of Corporate Conduct, which, among other things, includes the segments of conflicts of interest, suppression and prevention of corruption and bribery, money laundering, competition issues, environmental protection and discrimination ban.

Conflict of interest

Employees of the Company are investing maximum efforts and are committed to complying with the duty of avoiding conflicts of interest in transactions which the Company is involved in and, in the implementation of all activities, they are under the obligation to act exclusively in the interest of the Company. Membership of different organizations must not affect the quality of work, nor must it conflict with the Company's business interests. In cases where

the employee is or is suspected to be in a conflict of interest where a person who is the employee's relative, friend or business partner, etc. is favoured or in a situation in which personal interests may or are likely to be placed above the interests of the Company, they should inform their immediate superior thereof by reporting jobs or actions in which there is a personal interest or the interest of persons related to them (in terms of applicable regulations).

Suppression and prevention of corruption

The company prohibits corruption and bribery in its operations and is obligated to take measures to prevent corruption and bribery. An employee may not make or receive a gift, which implies a thing, right or favour, given or done without appropriate compensation and/or a benefit or convenience, except for a protocol and suitable gift, in terms of applicable regulations governing corruption prevention.

Money laundering

The Company is taking all necessary measures within its business activities to prevent money laundering as a criminal offense, implying the concealment of the source of money associated with criminal activity and/or transferring income from illegal activities to funds whose source is presented as legitimate. The company is cooperating with renowned business partners, who operate in accordance with applicable regulations, using funds originating from legal sources. The Company employees should exercise maximum caution if they discover payment irregularities and suspicious behavior of customers and other persons, and report such actions to the competent organizational unit or person.

Competition issue

The company is aware of the importance of competition protection for the development of the market and the protection of the interests and rights of consumers/users of our services, and in its operations it is fully committed to complying with regulations in the field of competition protection that ensure legal, fair and ethical market competition. The company is clearly committed to acting in accordance with the principles of competition protection and the rules of the free market, competing on the market by offering quality and unique services and building professional relationships with competitors in good faith.

Personal data protection

The Company adopted the Rules of Personal Data Protection which defines the basic principles and rules of conduct related to data processing and protection, taking into consideration the likely risks and risk level for the rights and freedoms of individuals.

Environmental protection

The Company is taking environmental protection measures adopting environmentally-oriented technologies and methods in order to reduce negative impact on the environment. In conducting its activities, heed is paid to environmental protection aspects such as: rational energy consumption, prevention of waste generation, regular disposal of waste and its recycling. By investing in and implementing state-of-the-art telecommunications technologies, the Company contributes to the application of clean technologies

and technologies consuming less energy as compared to devices used over the past decades.

Discrimination ban

The company prohibits any unjustified discrimination or unequal treatment, i.e. omission (exclusion, limitation or giving precedence), in relation to persons or groups as well as members of their families, or persons close to them, in an open or covert manner, which is based on race, skin colour, ancestry, citizenship, national or ethnic affiliation, language, religious or political beliefs, sex, gender, sexual orientation, property status, birth, genetic characteristics, health status, disability, marital and family status, criminal record, age, appearance, membership of political, trade union and other organizations and other real or assumed personal traits.

The company accepts and promotes the principle of diversity of employees.

Integrity plan

In accordance with the Law on Prevention of Corruption, the Company has adopted an Integrity Plan, which is the result of a self-assessment procedure of the company's exposure to risks for the emergence and development of corruption and other irregularities. The purpose of the integrity plan is to establish a mechanism that will ensure the efficient and effective functioning of society through strengthening responsibility, simplifying complicated procedures, increasing transparency in decision-making, controlling discretionary powers, strengthening ethics, eliminating inefficient practices and inapplicable regulations, introducing an effective

system of supervision and control.

Mtel Banja Luka has its own Code of Conduct and Corporate Governance. The provisions of the Law on Business Companies, Corporate Governance Standards, Statutes and other by-laws of the Company directly apply to everything that is not regulated by the Code. Mtel's statement of compliance of the organization and operations with the Code of Conduct and corporate governance standards, was published on the company's website in the "Investors" section (www.Mtel.ba) and on the website of the Stock Exchange (<http://www.blberza.com>).

Subsidiaries within the Mtel Group: Logosoft, Blicnet and Finance, also comply with the highest standards of corporate governance, which are a prerequisite for quality and long-term relations with users, partners and various stakeholders.

Dress Code

It is intended for the employees, hires and managers who are expected to observe the rules pertaining to visual identity and to ensure they are applied on the business premises of Telekom Srbija. It refers to all employees and hires in situations in which they do not wear the prescribed uniform or protective clothing. This code supplements the Code of Corporate Conduct.

Business Communication Standards

Business communication standards are intended for both the employees and all participants in the business process and are aimed at initiating the achievement of or improving business results.



Risks

Telekom Srbija

The Company strives to establish an Integrated Risk Management System in order to establish a unified framework to assign the risk profile to an acceptable level of risk exposure, i.e. the risk level that the Company is willing to take.

By establishing stand-alone management systems, the company has endorsed the policies befitting the context of the organisation and its planning documents, they provide a framework for determining, implementing and examining goals and show commitment to constant improvement. These policies are, as documented information, available to all employees on the Company's internal portal, as well as to all interested parties through the corporate website. The employees familiarize themselves with the policies through trainings and the activities on raising awareness of security of information, processes and other requirements of the standard.

The goals of Integrated Management System arise from the Company's business goals and strategy. Business processes have been identified as are required for the system implementation and operation, their inputs and outputs, as well as interconnections between such processes. The methods of measuring, monitoring and analysing business processes have been identified as well, the measures pertaining to risks, the resources required for the execution of processes and roles, responsibilities and

authorities have been assigned for each process.

The integrated management system of Telekom Srbija includes the following:

- ISO 9001:2015
- ISO 27001:2013 & 27701:2019
- SO 20000-1:2018
- ISO 22301:2019
- ISO 45001:2018
- ISO 14001:2015

The integrated system represents an innovative and proactively oriented management method based on processes and their efficiency and effectiveness. By applying the excellence model, the best global practice is introduced, that serves as an experience for the system implementation. The application of implemented standards brings:

- long-term competitiveness and sustainable success of the organisation;
- a change in the overall corporate culture, which is a transformative process that involves all activities, resources and methods of management;
- improvement of quality, security, reliability and efficiency and it helps ensure trust that the results will be achieved which meet the expectations of organisation's customers and other interested parties;
- better management of business processes, enhanced use of resources and the overall performance of the organisation;

- creating the image of a reliable provider of high-quality services.

The largest project in the sphere of standardization in 2022 was the implementation of the Environment Protection Management System, according to ISO 14001 standard. Starting from its strategic commitments and realizing the importance of sustainable development, the Company abides by the principle that the protection of environment is one of its fundamental values and the key driver of successful implementation of all business activities, regardless of their type, content or venue. A constant application of organisational, technological, technical and other relevant measures and facilities aimed at eliminating or reducing the effects upon the environment is inseparable part of business, while observing and fulfilling legal and other requirements in the sphere of protection of the environment, including the demands and expectations of the whole society, is an inevitable part of work. Obtaining the certificate on fulfilling the ISO 14001:2015 standard will have, besides the aforementioned and indisputably significant results in the domain of environment protection, very positive effects on the Company's image in its position in business environment. At the same time, it stands as a great responsibility for all employees in the Company to invest massive efforts in the preservation of environment, so as to leave a better environment to our successors.

Mtel Banja Luka

Since 2017, an integrated management system (IMS) has been established, which combines the requirements of two internationally recognized standards, for all business processes:

- ISO 9001:2015,
- ISO/IEC 27001:2013

The strategy outlines the fundamental principles of management in connection to the integrated management system. The IMS Rules of Procedure define the Integrated Management System Policy.

Logosoft

In 2022, Logosoft retained five prestigious internationally recognized certificates, which confirm conformity with the requirements of ISO international standards, as follows:

- ISO: SO/IEC 27001: 2013
- ISO/IEC 20000-1: 2018
- ISO 9001:2015
- ISO/IEC 27701: 2019 (acquired in 2021)
- ISO 22301: 2019

Mtel Podgorica

Risk management is aimed at minimizing potential negative impacts on the financial position and operations in a situation of financial markets volatility. Risk management is defined by accounting policies, financial policies and the

Company's Articles of Association, adopted by the Board of Directors.

Mtel Podgorica is not significantly exposed to the risk of changes in foreign exchange rates when operating in the country and abroad, because most business transactions are executed in EUR.

The company analyses exposure to the interest rate risk on a dynamic basis, taking into account alternative financing and refinancing sources, especially in the case of long-term liabilities, because they represent the most significant interest-bearing position. There is an exposure to the risk of changes in the prices of services due to intense competition in all services, which should be compensated by diversifying services. The company is exposed to credit risk to a limited extent.

The Board of Directors manages capital risk by acting in individual cases to mitigate the risk and provide conditions for the continuation of the projected business concept, as well as the maximum payment of fees to founders through optimization of debts and assets balance sheet.

Other members

Telus

Telus manages risks in keeping with the adopted Risk Management Strategy. Telus has the following certificates for the purpose of risk management:

- ISO 9001:2015
- ISO 45001

- ISO 14001:2015
- ISO 27001

YUNET

The management has established the Integrated Management System Policy and the Information Security Policy with the process principle based on risks and opportunities. The integrated system policy is implemented according to the requirements of the standards

- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018
- ISO/IEC 27001:2013

In order to constantly comply with the requirements of standards, the management is obliged to continuously review and improve the Integrated Management System Policy and the Information Security Policy.

For the very end...

The importance of ESG, as well as the commitment and adherence of Telekom Srbija Group to this issue, can be best evidenced by sponsorship and patronage of the largest conferences in the region. In that sense, a member of our group, Bloomberg Adria, was the media partner of ESG West Balkans Summit in Montenegro, and ReGreen, a regional green conference, was held in Ljubljana in May 2023.

Telekom Srbija

